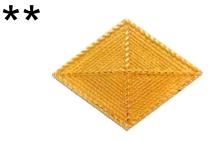


** FINANCE FLASH



December Arrival into theater and its impact on Combat Zone Tax Exclusion (CZTE)

- 1. Soldiers who enter the deployed theater after the first week of December <u>may</u> not receive the CZTE entitlement on their December Leave and Earnings Statement (LES). This is because the Military Pay System requires a "cut off" to capture all of a Soldier's pay affecting data for a timely end of month payment. For Reserve Component Soldiers the "cut off" is December 9th and for Active Component Soldiers the "cut-off" is December 19th.
- 2. Tax law does not allow Finance to correct or repay taxes withheld in a prior tax year, so taxes collected in December cannot be adjusted in January's pay. However, the 2005 corrected W-2 will display the reduced taxable wages due to CZTE. The Soldier can then recoup the December taxes when filing his or her 2005 tax return.
- 3. For more information regarding this and other finance questions, call or stop by the local office, or visit our website at

http://www.hood.army.mil/13thfingp/.

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